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BEFORE SUBCOMMITTEE ON CIVIL SERVICE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES

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Madam Chairman, I am here in response to your request for testimony concerning the Senior Executive Service as established by the Civil Service Reform Act of 1978. The views that I offer today are strictly my own. I only represent myself and not any group or organization. While I have followed the developments in the SES program, I have not served in a federal personnel management capacity since my resignation as Chairman of the Civil Service Commission in 1969 or in a federal executive position since my resignation as Director of the Federal Emergency Management Agency in 1981. Consequently, my evaluation is not drawn from first-hand experience but from previous testimony offered by other witnesses before your committee, consultation with a random sample of federal executives and personnel directors, opinions expressed concerning the program in the media and my own unofficial observations.

A significant and affirmative advance

The creation of the Senior Executive Service in Title IV of the Civil Service Reform Act of 1978 constituted a significant and affirmative advance toward improved management in the federal government. That legislative sanction for the formation of this new instrument to enhance the capability of top level federal executives was the culmination of decades of study, experimentation and half-way measures to achieve that purpose and to foster more efficient and effective administration of federal programs. The enactment represented a belated recognition of the essentiality of managerial implementation of new and complex federal initiatives to meet national needs. Often in the past there was a prevalent assumption that legislative action taken by the Congress and signed by the President would through some undefined process result in the automatic fulfillment of program expectations.

Expectations beyond potential realization

But those of us who advocated the establishment of such a change in executive conditions may have raised the level of expectation for its benefits beyond any rational point of fulfillment. The rhetoric of justification described such a negative pre-existing condition that the SES solution was viewed by some as an instrument for miraculous change which never could have been realized even under the most favorable circumstances. There was a tendency to overlook the fact that this particular

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change could only have limited impact in a much broader environment of administrative management. It was never claimed that SES would overcome the irrationalities of executive compensation, the precarious relationship between career and noncareer executives, the deficiencies in organizational structure, the overbearing burden of regulatory requirements applied to the government's own operations, or the vagaries of the annual budget process. And yet in some quarters SES became the magic call letters for sweeping improvements in the federal administrative culture. Unfortunately, parallel actions to ameliorate these other conditions were not and have not been initiated as complementary and supporting management reforms.

Extension urged for another five years

It is too early to form a final judgment on the value of SES. Five years may seem an eternity to some of us but it is a pitifully short period of time in which to expect solid evidence of benefits from such a revolutionary change. I urge an extension of Title IV for another five years to permit additional time for implementation of its basic provisions. I suggest another "sunset date" because of my belief in the desirability of this type of periodic evaluation by the legislative committees of Congress. I would hope, however, that the limited extension would not deter those responsible for the effective development of SES to be tentative in their further implementing actions. They should proceed to develop this new system on the assumption of its longterm existence.

Diversity in results depending on department and program

There is always a tendency to treat the entire executive branch as though it were one common and integrated system. Obviously it is not. It is important, therefore, not to draw conclusions about the success of this or any other administrative reform program on the basis of a limited number of horror stories or to accept governmentwide polling information as truly indicative of attitudes in all departments and agencies. One of the affirmative features of the Civil Service Reform Act is recognition of the diversities and specializations in the spectrum of federal programs. Individual departments and agencies, with the basic responsibility for program results, were allowed to custom-design SES conditions to meet program needs. In my sampling of department and agency opinion I have heard a surprising number of affirmative assessments to counter the negative conclusions in some of the evaluative literature I have read. There is no support for turning the clock back to pre-1978 conditions.

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Essential involvement and support at the top management level

Likewise, higher evaluations tend to flow from those agencies where top management has been involved and supportive in the development of the internal executive system. This is particularly true in those agencies, such as Defense and NASA, where the population of noncareer executives has tended to be relatively small. In many agencies the period since 1978 has been less than congenial for changes of this nature. The transition in political leadership occurred midway during the period with the attendant uncertainties and delays in establishing the leadership of presidential appointees. Significant cutbacks in program scope and available funds necessitated retrenchment in administration, scarcely a favorable climate for executive development.

Confusion with pay difficulties

SES became closely linked to the continuing confusion over executive compensation. Inasmuch as compensation incentives in the form of bonuses constituted a major part of the SES package, this interrelationship was difficult to avoid. In my own view, the bonus controversy was unfortunate. There was an overreaction to alleged abuse of the authority to the end that strict controls were applied in a fashion that appeared punitive to those who had elected to enter the SES. These financial incentives in the reform were overplayed as a feature of the new program. There are clear distinctions between public and private executive purposes. Those who select careers in the public service do so with the knowledge that they cannot match the outlandish six figure salaries provided in large corporations; they recognize that their reward is in the opportunity to provide meaningful service to their fellow citizens.

Injury through political attacks on government

Probably more important than these environmental factors has been the barrage of negative references to the government and its personnel from the political artillery of this time. When government is described "as the problem and not the solution" those committed to improvement of that government are naturally discouraged and disheartened. Even after the din of campaign rhetoric died down these frequent attacks on the bureaucracy have come from the Chief Executives whom they are expected to follow. These attacks have contributed to the loss of confidence the American people have in their government and discouraged not only those now in career manager positions but also those who would plan a career in the future. These negative conditions also turn away those from other sectors of our society who might compete for entry into this executive corps.

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Bonuses, awards, and high rank cannot be expected to overcome the debilitating influence of this low esteem expressed from the top. This is not a matter of political party or ideological persuasion. No matter what expanded or reduced role the federal government is to play in meeting the needs of the nation there is the imperative for improvement of the management of the people's business. These observations may be out of place in a hearing such as this since changes in leadership attitudes are not accomplished by legislation. The posture of the Chief Executive nevertheless is a major contributing force in the success of a program of this magnitude.

Sensitive relations between career and noncareer executives

A common complaint from SES participants relates to their connection with noncareer executives, both presidential and departmental appointees. There is a general impression that the placement of these noncareer appointees has descended to lower levels within the hierarchy and has truncated the prospects for higher level possibilities for their career associates. The qualifications of many of these outsiders are judged to be inferior to those of career officials in the terms of the need for their assignments. The transient nature and short term tenure that characterize these appointments have exacerbated their difficulties in executive collaboration.

SES for career executives only

After studying comments of other witnesses I join those who espouse a future SES composed only of career executives. Since noncareer appointees have no career aspirations their inclusion in a career oriented program is an anachronism. This is not to say the training and development of these short-termers should be neglected. Each agency, under the leadership of the Office of Personnel Management, should institute crash preparatory guidance to permit the optimum return from these officials during their abbreviated period of service. If a separate noncareer program is not feasible, there should be greater attention given to meeting qualification standards on the part of all future candidates for SES selection. I advocate a total prohibition against the transfer from non-career to career status. This practice, engaged in by successive administrations in the past, has made a mockery of the merit system and its standards.

Justification for number of SES positions

Although the rank-in-man concept incorporated in the SES removes pay relationships of job content and responsibility, there must be an assurance that job content and accountability

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are of a magnitude and importance to warrant the status and salary authorized. While I do not recommend arbitrary ceilings on the number of SES incumbents, I do urge department and agency managers to review with the utmost objectivity the position justification for an SES assignment. I have an uncomfortable feeling that many of these posts carry very limited accountability for program results and are primarily of a staff nature. Particular scrutiny should be addressed to special assistant positions and the like where duties tend to become ministerial and contain very limited program relevance. In this connection, added experience with the system might well indicate the need to separate senior scientific, professional and technical positions which warrant high salaries but do not require managerial performance as the statute intended.

Disappointments must be recognized

The disappointments in the operation of SES must be acknowledged. There has been significant disaffection on the part of a substantial number of those who could make the new system function successfully - those who opted to become members of the new service. But these negative reactions, many of which are attributable to maladroitness implementation, are at least partially traceable to those excessive expectations at the time of enactment and to an assumption that membership carried benefits but not necessarily increased obligation for more effective performance. With increasing uncertainties facing the programs to be administered it was understandable that the challenge of risk-taking was pre-empted by concern over future employment.

Emphasis on performance appraisal

The heavy emphasis placed upon performance appraisal in achieving success under the new system led to complicated, paper laden evaluation processes and skepticism about the objectivity of new political superiors. The construction of such systems, which have met with limited success in other less complex institutions, was a tremendous administrative task. The Act had appropriately emphasized that performance evaluation should be based upon program accomplishment. Yet relatively few of the SES positions carried sufficient decision-making credentials to measure in terms of that relationship. This experience points up the continuing need for a critical examination of the accountability assigned to these officials and to the formulation of meaningful measures of success or failure in the administration of programs which are not readily expressed in quantitative or even qualitative terms.

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Lack of mobility experience

One of the major justifications for the SES was its provision for greater mobility on the part of those admitted to the new corps. That this objective was not met should not be a great surprise. A few instances of forced mobility to unattractive posts tainted this opportunity. Besides, mobility in a career development sense needs to occur at earlier career points in the advancement of a potential SES candidate. Exposure to different agencies and programs, involvement in state and local government, and periods in the private sector should all be viewed as preparatory to the arrival at the gates of the SES. There were favorable cases where experienced executives were moved from one agency to another to meet critical situations that required experience, objectivity and knowledge applicable in the new assignment. Stronger central leadership in executive management would constructively increase the number of such assignments, but it should be recognized that with the appointing power in the hands of the agency head such reassignments can only be achieved through negotiation. For a number of years I have speculated about the possibility of a group of senior managers making themselves voluntarily available for career executive assignments on the appointment authority of the President or his agent. This small cadre of high-risk-takers would be available to participate in task forces designing and structuring new agencies or programs, managing emergency situations, and providing special expertise of continuity and a broad general understanding of the federal government. There has been little support for this idea because it would violate the fundamental appointment authority of the agency head and would create for the first time a centrally administered group of career executives. I still believe it would be worthy of a test run, with a small, volunteer group, to ascertain its potential benefits.

SES at pinnacle of career advancement

To some extent, SES has suffered because it has been treated outside of the context of a progressive career in the executive branch. This organization at the pinnacle of governmental responsibility cannot flourish in such isolation. There must be an upward flow of the best talent available to compete for entry into this select corps. Where SES has been successful it has been viewed as a continuum of career-long development and as one very important element in the career process.

More emphasis on development

The personnel development program for those entering SES received increased attention under the new requirements but even more needs to be provided if the potential benefits are to be realized. Agency initiative is paramount but the range

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of opportunities needs to be broadened and enriched through continued professional leadership.

Continuation with improved implementation

I have refrained from a discussion of technical details in the interest of focusing attention on a few of the principal features of the program. There are clearly flaws that need to be corrected and attitudes that need to be changed. More intensive and supportive involvement of executive leadership is essential in the realization of this new opportunity. Commitment to improvement in government performance must be accepted by all of those who shoulder responsibility in the public interest. This useful instrument needs to be applied with imagination, fairness and with improved service to the public as the primary objective. I support the continued legislative authority for this program with expressions of encouragement and urgency for improved implementation. I hope that my critique may constitute a useful resource to those who carry the more critical responsibility of administering the statute.